of the coupes in the Jerruck Division, in which the standing crop was very inferior (936 acres), not finding purchasers.

96. The exploitation of small bahan timber, such as posts, rafters, etc., under the selection method was confined to the Hyderabad and Naushahro Divisions to meet the large demand for such produce in the city of Hyderabad. The area for such operations was curtailed as the fellings in the past had been heavy and some of the forests had been overworked.

(e) *Exploitation of major Forest produce by land and water.*

Coupe contract system and its difficulties.

97. The system of extraction introduced in the year previous was continued, and it has taxed all the energies of the Department to bring it to a successful issue The disposal of the coupes was effected with an immense deal of trouble and worry. There was hardly any response to the invitation of tenders, and such as were received were very low. Knowing this, the old contractors tried to play fast and loose with the Department in order to secure the contracts on easy terms. It was therefore necessary to remain firm and break the combination amongst them, and disabuse them as well of the idea they had run away with that they were indispensable. It was also currently reported that coercion was being used to dissuade other intending purchasers who had been persuaded to make satisfactory offers. A firm of Borah merchants in Karachi, after obtaining the necessary particulars regarding the contract for one of the divisions and giving me hopes that they would come to an understanding in a couple of days, suddenly withdrew. On enquiry, it was found that the diffidence on their part arose from an apprehension that they would not be able to work the contract, in that the principal wood-cutters and boatmen were indebted more or less to the old contractor, who had enjoyed a monopoly to work in these forests for over a quarter of a century, and the latter would have the means of harassing the former by having recourse to the provisions of Act XIII of 1859 to recover the debts, if he found that his men had taken employment under a new contractor. In fact, all sorts of rumours were circulated by interested parties to the prejudice of the Department, and at one time the situation became very critical, indeed. Finding that the working season was fast approaching and no arrangements for the extraction of major Forest produce had been concluded, the sale of the coupes of the Jerruck Division only by public auction was advertised as a last resource, by way of experiment, with the result that the old contractor was outbidden by three others in very many instances, and all the coupes, except seven, were disposed of at favourable rates. Thus, a beginning was made during the year to create competition. Two out of the three new purchasers are petty contractors with small capital, and have given the Department entire satisfaction. Before this auction was held, the contractors who had purchased the 1895-96 coupes of the other three divisions, fearing to be ousted by new men, as it actually happened afterwards in the case of the Jerruck Division, agreed to the proposal previously made to them to buy the coupes at the Departmental valuation and their offer was accepted, as it was not probable that so very late in the season an auction sale in their case would have given better results.

(f) *Exploitation of minor Forest produce.*

(1) *Extraction of Fodder.*

Extraction of fodder.

98. There is nothing further to be added to the remarks made in former reports.

(2) *Grazing.*

Grazing.

99. The inundation being a normal one, there was sufficient grazing available for the animals admitted into the open portions of the riverain forests.